



GTE Service Corporation
1850 M Street, N.W., Suite 1200
Washington, D.C. 20036
(202) 463-5292

Carol L. Bjelland
Director
Regulatory Matters
November 1, 1996

EX PARTE OR LATE FILED

William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N. W.
Washington, D. C. 20554

RECEIVED
NOV - 1 1996
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

RE: EX PARTE: CC Docket No. 96-149

Dear Mr. Caton:

This letter shall serve as notification that, on October 31, 1996, Gordon Maxson and I met with Craig Brown, Don Stockdale, Pat DeGraba and Staci Pies of the Commission's Policy and Program Planning Division, and Susan O'Connell and Doug Klein of the Commission's International Bureau. The purpose of the meeting was to discuss issues concerning Micronesian Telecommunications Corporation (MTC) as addressed by GTE in its reply comments previously filed in this proceeding.

As follow-up to the discussion, we were asked to provide certain information concerning MTC tariff filings and application of the Commission's price cap rules and regulations to MTC. This information, previously filed with the FCC, is attached. For purposes of submissions filed in compliance with Commission's accounting rules and policies, the "COSA" code for MTC is "GTMC"

Please include a copy of this notification, and the attached materials, in the file of the proceeding in accordance with the Commission's rules concerning ex parte communications.

Sincerely,


Carol L. Bjelland

Attachments

C: C. Brown
 D. Stockdale
 S. Pies
 P. DeGraba
 S. O'Connell
 D. Klein

No. of Copies rec'd
List A/B/C/D/E

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Micronesia
Telecommunications
Corporation
A SUBSIDIARY OF GTE HAWAIIAN TEL

April 2, 1996

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
Washington, DC 20554

Attention: Common Carrier Bureau

Dear Mr. Caton:

The accompanying filing issued by The Micronesia Telecommunications Corporation (MTC), complies with the requirements of the Commission's Second Report and Order (LEC Price Cap Order) CC Docket No. 87-818 (FCC 90-314), released October 4, 1990. Adjustments required by the Price Cap Performance Review for Local Exchange Carriers and the revised 1996 Tariff Review Plan (TRP) have been incorporated into this filing. MTC serves the islands of Saipan, Tinian, and Rota in the Commonwealth of the Northern Mariana Islands (CNMI). The Commission authorized the establishment of a study area for the CNMI in DA 94-417 (AAD 93-161), released on May 4, 1994. MTC's toll service to the USA (including Hawaii and Alaska), Guam, Puerto Rico and the Virgin Islands is included in interexchange basket 4. The annual tariff filing includes an adjustment to the price cap indices and demonstrates that the Actual Price Index (API) does not exceed the Price Cap Index (PCI).

The Attachment provides the support for this filing and describes the methodologies used to determine the base period demand, revenues and impact of exogenous access cost changes.

MTC's data for the Tariff Review Plan (TRP) will be encompassed in the consolidated GTE TRP filing.

All correspondence and inquiries in connection with this filing should be addressed to Michael F. Yee, GTE Hawaiian Telephone Company Incorporated, P.O. Box 2200, Honolulu, HI 96841.

Respectfully submitted,

Michael F. Yee

Michael F. Yee
Regional Manager-
Regulatory Affairs-International

MFY:jt
Attachments

ATTACHMENT**THE MICRONESIAN TELECOMMUNICATIONS CORPORATION
1996 ANNUAL PRICE CAP FILING****I. DESCRIPTION OF THE FILING**

This attachment supports the 1996 annual price cap filing as required by the Commission's Second Report and Order (*LEC Price Cap Order*) CC Docket No. 87-313, (FCC 90-314), released October 4, 1990. Adjustments required by the Price Cap Performance Review for Local Exchange Carriers (*LEC Price Cap Review Order*) CC Docket No. 94-1, (FCC 95-132), released April 7, 1995, and the 1996 Tariff Review Plan (TRP) have been incorporated into this filing.

MTC serves the islands of Saipan, Tinian, and Rota in the Commonwealth of the Northern Mariana Islands (CNMI). The FCC authorized the establishment of a study area for the CNMI in DA 94-417 (AAD 93-161), released on May 4, 1994. MTC's toll service to the USA (including Hawaii and Alaska), Guam, Puerto Rico and the Virgin Islands is included in interexchange basket 4. For interexchange basket 4 services, the Price Cap Order places a ceiling on the aggregate revenue-weighted price changes, based upon changes in a Price Cap Index (PCI) that is adjusted for inflation, productivity, and certain "exogenous costs" that are beyond MTC's control and not otherwise reflected in the Gross Domestic Product Price Index (GDP-PI). Exogenous costs adjustments of (\$189,050) include a (\$189,165) net sharing/low end adjustment which incorporates the "add-back" requirement and \$115 for regulatory fees. These adjustments are non-access related regulatory cost adjustments to the PCI (the change in the Z variable in the price cap equation) that are relevant to the annual price cap filing. This filing allocates the sharing and low end adjustments to all price cap baskets based upon the proportion of total revenue in each basket to the total interstate revenue as directed in the 1993 Annual Filing Order (Memorandum Opinion and Order Suspending Rates and Designating Issues for Investigation (DA 92-141) released June 22, 1993, CC Docket No. 92-141).

The *LEC Price Cap Review Order* allows LECs to replace the GNP-PI with the GDP-PI. The price cap will be measured through the mechanisms of an index of the aggregate revenue-weighted price changes within the interexchange basket (the Actual Price Index, or API). The PCI and API will be determined with reference to calendar year 1995 demand and will reflect the rates in effect as of July 1, 1996.

**The Micronesian Telecommunications Corporation
1996 Annual Price Cap Filing
Page 2**

Section II describes the methodologies used to calculate adjustments to the PCI and API for the interexchange basket services and also demonstrates that the API for MTC's interexchange basket is less than the adjusted PCI as of July 1, 1996.

II. DEVELOPMENT OF PRICE CAP INDICES

The *LEC Price Cap Order* requires MTC, in this annual filing to adjust its price cap indices and to demonstrate that the API for basket 4 does not exceed the PCI. The procedures used to develop the PCI and API values are provided in this section.

MTC's billing records and historical calling patterns to the foreign countries provided the demand data underlying the computation of the PCI and API indices. To disaggregate the demand data to the rate element level, 1995 calendar year messages were used to calculate the initial period minutes of use for each area/country by rate period (e.g., day, evening and night/weekend). The additional period minutes were derived by subtracting the initial period minutes from total 1995 calendar year minutes of use. The initial period and additional period minutes for each rate element determined in this manner were multiplied by the corresponding rates to derive total toll base revenues.

A rate discount provided through the International High Volume Plan (IHVP) was reflected in the API calculation. The IHVP provides customers with the option of receiving volume discounts on International Message Telecommunications Service (IMTS) calls. Data on the amount of IHVP eligible revenues was collected from MTC's historical data base and was used to derive the weighted proportion of IHVP eligible revenues to total IMTS revenues. From this information, a per minute IHVP rate reduction factor was derived and applied as an adjustment to base IMTS revenues.

The *LEC Price Cap Order* requires that the price cap calculations in this filing take into account the changes in MTC's switched access expense (the ΔY variable in the Commission's PCI formula) that will become effective on July 1, 1996. MTC estimates that the access charge filing will decrease its switched access expense by \$60,327 measured on 1995 base period demand, compared to the August 1, 1995 access charge levels.

**The Micronesian Telecommunications Corporation
1996 Annual Price Cap Filing
Page 3**

The decrease in access expense has been directly assigned to the Interexchange basket 4 and is reflected in the PCI values for July 1, 1996 shown in this filing.

Using the methodologies described above to determine base period demand and revenues and the impact of access cost changes, MTC applied the formula prescribed in Section 61.44 of the Commission's Rules to compute the PCI for the Interexchange basket. The PCI computation is shown in the attached Exhibit. MTC also computed the API values for the Interexchange basket, applying the formula specified in Section 61.46 of the Commission's Rules. The results of MTC's computations are summarized below:

PCI and API VALUES (%)

| | <u>Existing</u> | | <u>Proposed</u> | |
|----------|-----------------|------------|-----------------|------------|
| | <u>PCI</u> | <u>API</u> | <u>PCI</u> | <u>API</u> |
| Basket 4 | 107.8088 | 89.5983 | 100.6811 | 90.0425 |

As shown above, the API remains less than the adjusted PCI as of July 1, 1996.

EXHIBIT

**THE MICRONESIAN TELECOMMUNICATIONS CORPORATION
PRICE CAP INDEX (PCI) CALCULATION**

1. LET (t-1) = 8/01/95
2. LET (t) = 7/01/96
3. $PCI(t) = (PCI(t-1) \cdot A) \times (1 + W(\Delta GDP-PI \cdot X) + \Delta Y/R + \Delta Z/R)$

| | INTEREXCHANGE BASKET 4 | <i>6/96 Revision</i> |
|---|-----------------------------------|--------------------------|
| 4. PCI(t-1) | 107.8088% | |
| 5. $\Delta GDP-PI$ | 2.4960% | 2.6514 |
| 6. X = PRODUCTIVITY FACTOR FOR TEST PERIOD | 3.0000% | |
| 7. ΔY = ACCESS COSTS FOR TEST PERIOD | (\$60,327) | (\$28,692) |
| 8. ΔZ = OTHER EXOGENOUS COSTS | (\$189,050) | |
| 9. R = BASE PERIOD REVENUES | \$4,476,665 | |
| 10. $W = (R \cdot (\text{ACCESS RATES}(t-1) \times \text{BASE DEMAND}) + \Delta Z)/R$ | 82.3769% | |
| 11. A = 11-MONTH GROSSUP FACTOR | .7174% | |
| 12. PCI(t) | 100.6811% | 101.5750 |

Receipt



RECEIVED

February 7, 1996

FEB 7 1996

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Transmittal No. 112

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
Washington, DC 20554

Attention: Common Carrier Bureau

Dear Mr. Caton:

The accompanying tariff material issued by Micronesian Telecommunications Corporation and bearing Tariff F.C.C. No. 1, effective March 23, 1996, is sent to you for filing in compliance with the requirements of the Communications Act of 1934, as amended. This material consists of tariff pages as indicated on the following check sheet:

Tariff F.C.C. No. 1, 70th Revised Page 1

In this filing, Micronesian Telecommunications Corporation proposes to:

- 1) introduce two calling plans, one for business customers called the Business Discount Plan and one for residential customers called the Residential Discount Plan,
- 2) adjust International Direct Distance Dialed (IDDD) rates to specific countries,
- 3) adjust Prepaid Card Phone rates to specific countries and
- 4) offer free international calling on a promotional basis or in connection with emergencies such as those resulting from hurricanes, tornadoes, earthquakes, floods, fires or other catastrophic occurrences.

In accordance with Section 61.58(a)(4) of the Federal Communications Commission's Rules and Regulations, customers will be notified of the rate increases through advertisement in newspapers of general circulation.

The \$565 filing fee was transmitted electronically to the Mellon Bank in Pittsburgh, PA, on February 7, 1996, concurrently with hand delivery of copies of the transmittal and its attachment to your office. The Form 159 accompanying the original copy of this transmittal shows the electronic audit code for this transaction.

Mr. William F. Caton
February 7, 1996
Page 2

Acknowledgment and date of receipt of this filing are requested. All correspondence and inquiries in connection with this filing should be addressed to F. Gordon Maxson, GTE Service Corporation, 1850 M Street, NW, Suite 1200, Washington, DC 20036, telephone number 202/463-5291, fax number 202/463-5283.

Respectfully submitted,

Michael F. Yee

**Michael F. Yee
Regional Manager-
Regulatory Affairs-International**

**MFY:jt
Attachment:
Tariff Pages**

MESSAGE TOLL TELEPHONE SERVICE

B. REGULATIONS (continued)

12. Promotional Offerings

- (a) General: The company may offer promotional incentives to customers at various times to encourage the use of its services.

(b) Preferred Carrier Promotion

Customers who select Micronesian Telecommunications Corporation as their international toll carrier will be offered a credit equal to the applicable change charge appearing on the local exchange bill of the Company. The credit will be limited to one per line or trunk converted and will be paid by the International Operations of the Company.

(c) Service Promotion

International Message Telecommunications Service demonstrations will be offered to current and prospective customers from time to time. These demonstrations will provide a call up to a maximum of fifteen minutes at no charge. These calls will originate from distinct Company displays or be provided through other special arrangements.

MTC will furnish, from time to time and on a limited and temporary basis only, international calling at no charge in connection with emergencies such as those resulting from hurricanes, tornadoes, earthquakes, flood, fires or other catastrophic occurrences.

(N)

(N)

MESSAGE TOLL TELEPHONE SERVICE

C. RATES (Continued)

3. Table of General Rates (Continued)

B. Two-Point Service to Other Countries and Areas

| | <u>PERSON</u> First 3 Minutes | <u>STATION</u> First 3 Minutes | <u>DIAL</u> First Minute | <u>ALL</u> Ea Add'l Minute |
|-------------------------------------|-------------------------------------|--------------------------------------|--------------------------------|----------------------------------|
| Alaska | \$12.00 | \$12.00 | \$3.25 | \$2.50 |
| --/Sunday | 11.20 | 9.60 | 3.00 | 2.50 |
| Algeria | 14.00 | # | 4.65 | 4.65 |
| American Samoa | 12.00 | 9.60 | 3.30 | 2.80 |
| Andorra | 14.00 | 12.00 | 4.00 | 3.50 |
| Angola | 14.00 | # | 4.65 | 4.65 |
| Anguilla | 14.00 | 12.00 | 4.00 | 3.50 |
| Antigua (Barbuda) | 14.00 | 12.00 | 4.00 | 3.50 |
| Argentina | 14.00 | 12.00 | 4.00 | 3.50 |
| Ascension Island | 14.00 | # | 4.65 | 4.65 |
| Australia (incl. Tasmania) | 12.00 | 9.00 | 3.30 (I) | 2.50 |
| --Sunday | 9.00 | 7.20 | (D) | 2.25 |
| Austria | 14.00 | 12.00 | 4.00 | 3.50 |
| Bahamas | 14.00 | 12.00 | 4.00 | 3.50 |
| Bahrain | 14.00 | 12.00 | 4.00 | 3.50 |
| Bangladesh, People's Republic of | 14.00 | # | 4.65 | 4.65 |
| Barbados | 14.00 | 12.00 | 4.00 | 3.50 |
| Belgium | 14.00 | 12.00 | 4.00 | 3.50 |
| --Sunday | 11.20 | 9.60 | 3.20 | 2.80 |
| Belize | 14.00 | 12.00 | 4.00 | 3.50 |
| Benin, People's Republic of | 14.00 | # | 4.65 | 4.65 |
| Bermuda | 14.00 | 12.00 | 4.00 | 3.50 |
| Bolivia | 14.00 | 12.00 | 4.00 | 3.50 |
| Burkina Faso | 14.00 | # | 4.65 | 4.65 |
| Brazil | 14.00 | 12.00 | 4.00 | 3.50 |
| --Sunday | 11.20 | 9.60 | 3.20 | 2.80 |

#Reduced rates not available.

Issued: February 7, 1996

Effective: March 23, 1996

By: General Manager
Micronesian Telecommunications Corporation
P.O. Box 306
Saipan, MP 96950

MESSAGE TOLL TELEPHONE SERVICE

C. RATES (Continued)

5. Optional Calling Plan Rates (Continued)

b. Business Discount Plan

- 1) A customer must select MTC as its international primary interexchange carrier, subscribe to a term commitment of at least 1 year, and have minimum monthly charges, as specified in C.5.b.4., in order to be eligible to participate.
- 2) The Business Discount Plan will apply to business customers. A business customer is defined as a customer paying business local exchange service access line rates.
- 3) All participants in the Business Discount Plan will receive a discount on International Direct Distance Dialed (IDDD) charges, for traffic which the customer elects to send to MTC, for all rate periods accumulated in a Main Billed Account or by a Qualified Business Affinity Group.
- 4) Discounts will be based on accumulated monthly IDDD charges as follows:

| <u>Minimum IDDD Charges</u> <u>(per month)</u> | <u>Percentage</u> <u>Discount</u> |
|---|--------------------------------------|
| \$0 - \$1,000 | 25.0% |
| \$1,001 - \$5,000 | 26.5% |
| \$5,001 - \$10,000 | 28.0% |
| \$10,001 - \$25,000 | 29.5% |
| \$25,001 - \$50,000 | 33.0% |
| \$50,001 - and above | 33.0% |

- 5) A customer may receive additional discounts for term commitments longer than 1 year, as set forth below:

| <u>Term Commitment</u> | <u>Additional</u> <u>Discount</u> |
|------------------------|--------------------------------------|
| 2 Years | 2% |
| 3 Years | 3% |
| 4 Years | 4% |

- 6) Should the term commitment be terminated by the customer at any time before its expiration, the customer will be liable to return to MTC 100% of the discount received under this plan.

All material on this page is new.

Issued: February 7, 1996

Effective: March 23, 1996

By: General Manager
Micronesian Telecommunications Corporation
P.O. Box 306
Saipan, MP 96950

MESSAGE TOLL TELEPHONE SERVICE

C. RATES (Continued)

5. Optional Calling Plan Rates (Continued)

c. Residential Discount Plan

- 1) All customers who select MTC as its international primary interexchange carrier will automatically receive a 15% discount whenever their International Direct Distance Dialed (IDDD) monthly charges exceed \$25.
- 2) The Residential Discount Plan will apply to residential customers. A residential customer is defined as a customer paying residential local exchange service access line rates.

All material on this page is new.

Issued: February 7, 1996

Effective: March 23, 1996

By: General Manager
Micronesian Telecommunications Corporation
P.O. Box 306
Saipan, MP 96950

**MICRONESIAN TELECOMMUNICATIONS CORPORATION
TARIFF F.C.C. NO. 1
BUSINESS DISCOUNT AND RESIDENTIAL DISCOUNT PLANS
TRANSMITTAL NO. 112**

This attachment provides the tariff support for Transmittal No. 112 in compliance with Section 61.49 of the Federal Communications Commission's Rules and Regulations.

I. DESCRIPTION OF THE FILING

This filing proposes to introduce two calling plans, one for business customers called the Business Discount Plan and one for residential customers called the Residential Discount Plan.

The Business Discount Plan is an optional calling plan in which subscribers to business local exchange service can subscribe to a term commitment to be eligible for specific discounts on International Direct Distance Dial (IDDD) charges based on the level of monthly IDDD charges. Business customers may receive higher discounts for longer term commitments. Business customers must select Micronesian Telecommunications Corporation as their international primary interexchange carrier to be eligible for the Plan.

The Residential Discount Plan is a calling plan in which subscribers to residential local exchange service who select MTC as their international primary interexchange carrier will automatically receive a 15% discount whenever their IDDD monthly charges exceed \$25.00.

II. CALCULATION OF NET REVENUE TEST

In conformance with Section 61.49(g) of the Commission's Rules, Micronesian Telecommunications Corporation projected the net revenue increase resulting from the proposed modifications for the 36-month period following the effective date of this filing. The demand and revenues represent projected future and existing Micronesian Telecommunications Corporation business and residential customers who would otherwise have selected a competitor's service.

Nonrecurring direct expenses include advertising expenses and FCC filing fees. Recurring direct expenses include plan discounts, settlement outpayments, cost for access, facilities, billing and collection, and gross revenue and income taxes.

Following is a net revenue test for three years to determine the financial impact of this proposed tariff filing.

NET REVENUE TEST
(Dollars in Thousands)

| | <u>Year 1</u> | <u>Year 2</u> | <u>Year 3</u> |
|---|----------------|----------------|----------------|
| Incremental Revenues | \$6,475 | \$7,399 | \$8,361 |
| Incremental Expenses | <u>(6,433)</u> | <u>(7,109)</u> | <u>(7,826)</u> |
| Incremental Net Revenue | <u>\$42</u> | <u>\$290</u> | <u>\$535</u> |
| Present Value of Net Revenue at 11.25% | <u>\$42</u> | <u>\$235</u> | <u>\$389</u> |



RECEIPT

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JUL 26 1996

July 26, 1996

**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY**

Transmittal No. 116

**Mr. William F. Caton
Acting Secretary
Federal Communications Commission
Washington, DC 20554**

Attention: Common Carrier Bureau

Dear Mr. Caton:

The accompanying tariff material issued by Micronesian Telecommunications Corporation and bearing Tariff F.C.C. No. 1, effective August 9, 1996 and September 1, 1996, is sent to you for filing in compliance with the requirements of the Communications Act of 1934, as amended. This material consists of tariff pages as indicated on the following check sheet:

Tariff F.C.C. No. 1, 73rd Revised Page 1

In this filing, Micronesian Telecommunications Corporation proposes to reduce the International Direct Distance Dialed (IDDD) rates to Guam, Hawaii and the US Mainland. Pursuant to Section 61.49(a) of the Commission's Rules and Regulations, Micronesian Telecommunications Corporation is required to calculate the adjustments to the Actual Price Index ("API") to reflect the effect of the rate reduction.

The API adjustments for Basket 4, Interexchange Services, were based on the 1995 base period demand. As shown in the following table, the API for Basket 4 decreases by 23.88%, and the API remains below the Price Cap Index ("PCI").

Price Cap Indices

| <u>Basket 4</u> | <u>Current Value</u> | <u>Result of this Filing</u> |
|------------------------|-----------------------------|-------------------------------------|
| PCI | 101.58% | 101.58% |
| API | 90.04% | 66.16% |

Mr. William F. Caton
July 26, 1996
Page 2

Also, this filing details the expanded technology used in offering the prepaid phone card service. This filing is made on not less than 35 days' notice.

The \$565 filing fee was transmitted electronically to the Mellon Bank in Pittsburgh, PA, on July 26, 1996, concurrently with hand delivery of copies of the transmittal and its attachment to your office. The Form 159 accompanying the original copy of this transmittal shows the electronic audit code for this transaction.

Acknowledgment and date of receipt of this filing are requested. All correspondence and inquiries in connection with this filing should be addressed to F. Gordon Maxson, GTE Service Corporation, 1850 M Street, NW, Suite 1200, Washington, DC 20036, telephone number 202/463-5291, fax number 202/463-5283.

Respectfully submitted,

Michael F. Yee

Michael F. Yee
Regional Manager
Regulatory & Industry
Affairs-International

MFY;JS:jt
Attachment:
Tariff Pages

MESSAGE TOLL TELEPHONE SERVICE

C. RATES (Continued)

3. Table of General Rates (Continued)

A. To Hawaii/United States Mainland (excluding Alaska)

| | <u>Tuesday-Friday</u> | | |
|--|------------------------|----------------------|---------------|
| | <u>Day</u> | <u>Evening</u> | <u>Night</u> |
| | <u>5A-5P</u> | <u>5P-11P</u> | <u>11P-5A</u> |
| International Direct Distance Dialed (IDDD) | | | |
| First Minute | \$.99 (R) | \$.99 (R) | \$.99 (R) |
| Additional Minute | .99 (R) | .99 (R) | .99 (R) |
| Operator Handled | | | |
| Station-To-Station First 3 Minutes | 7.00 | 6.96 | 6.93 |
| Person-To-Person First 3 Minutes | 9.00 | 8.98 | 8.97 |
| Additional Minute | 1.80 | 1.65 | 1.50 |
| | <u>Saturday-Monday</u> | | |
| | <u>Day</u> | <u>Evening/Night</u> | |
| | <u>5A-5P</u> | <u>5P-5A</u> | |
| International Direct Distance Dialed | | | |
| First Minute | \$.99 (R) | \$.99 (R) | |
| Additional Minute | .99 (R) | .99 (R) | |
| Operator Handled | | | |
| Station-To-Station First 3 Minutes | 6.46 | 6.45 | |
| Person-To-Person First 3 Minutes | 7.96 | 7.95 | |
| Additional Minute | 1.65 | 1.50 | |

Issued: July 26, 1996

Effective: August 9, 1996

By: General Manager
Micronesia Telecommunications Corporation
P.O. Box 306
Saipan, MP 96950

MESSAGE TOLL TELEPHONE SERVICE

C. RATES (Continued)

3. Table of General Rates (Continued)

B. Two-Point Service to Other Countries and Areas (Continued)

| | <u>PERSON</u> | <u>STATION</u> | <u>DIAL</u> | <u>ALL</u> |
|-----------------------------------|----------------|----------------|---------------|-----------------|
| | <u>First 3</u> | <u>First 3</u> | <u>First</u> | <u>Ea Add'l</u> |
| | <u>Minutes</u> | <u>Minutes</u> | <u>Minute</u> | <u>Minute</u> |
| Greece | \$14.00 | \$12.00 | \$4.00 | \$3.50 |
| Greenland | 14.00 | 12.00 | 4.00 | 4.00 |
| --Sunday | 11.20 | 9.60 | 3.20 | 3.20 |
| Grenada | 14.00 | # | 4.65 | 4.65 |
| --Sunday | 11.20 | # | 3.70 | 3.70 |
| Guam | 3.00 | 2.40 | | .70 |
| --DIAL | | | .55(R) | .55(R) |
| Guantanamo (U.S.A. Naval Base) | 14.00 | # | 4.65 | 4.65 |
| Guatemala | 14.00 | 12.00 | 4.00 | 3.50 |
| Guinea-Bissau | 14.00 | # | 4.65 | 4.65 |
| Guyana | 14.00 | 12.00 | 4.00 | 3.50 |
| Haiti | 14.00 | 12.00 | 4.00 | 3.50 |
| --Sunday | 11.20 | 9.60 | 3.20 | 2.80 |
| Honduras | 14.00 | 12.00 | 4.00 | 3.50 |
| Hong Kong | 9.00 | 8.25 | | 2.15 |
| --DIAL | | | 2.65 | 2.15 |
| Hungary | 14.00 | # | 4.65 | 4.65 |
| Iceland | 14.00 | 12.00 | 4.00 | 3.50 |
| India | 14.00 | # | 4.65 | 4.65 |
| Indonesia | 12.00 | 9.60 | 3.30 | 2.80 |
| Iran | 14.00 | 12.00 | 4.00 | 3.50 |
| Iraq | 14.00 | 12.00 | 4.00 | 3.50 |
| Ireland | 14.00 | 12.00 | 4.00 | 3.50 |
| --Sunday | 11.20 | 9.60 | 3.20 | 2.80 |
| Israel | 14.00 | 12.00 | 4.00 | 3.50 |
| Italy | 14.00 | 12.00 | 4.00 | 3.50 |
| --Sunday | 11.20 | 9.60 | 3.20 | 2.80 |
| Ivory Coast, Republic of | 14.00 | # | 4.65 | 4.65 |
| Jamaica | 14.00 | 12.00 | 4.00 | 3.50 |
| --Sunday | 11.20 | 9.60 | 3.20 | 2.80 |
| Japan (incl. Okinawa) | 8.96 | 7.50 | | 2.00 |
| --DIAL | | | 2.25 | 1.95 |
| Jordan | 14.00 | # | 4.65 | 4.65 |

#Reduced rates not available.

Issued: July 26, 1996

Effective: August 9, 1996

By: General Manager
Micronesia Telecommunications Corporation
P.O. Box 306
Saipan, MP 96950

MESSAGE TOLL TELEPHONE SERVICE

C. RATES (Continued)

4. Table of Prepaid Card Phone Rates

WorldPass VIP Prepaid Phone Card

(T)

A prepaid card phone is a device which accepts from the customer a plastic card that is magnetically encrypted with a set monetary denomination (e.g., \$10) which the customer uses to pay for international direct distance dialed (IDDD) calls. The prepaid card phone subtracts the amount of each IDDD call from the original value of the card and indicates how much money remains on the card. The card phone will warn the customer when the card is about to run out of money and allows the customer to insert another card to avoid interruption of the call.

The rates in this section will apply to calls made from prepaid card phones in Saipan to countries and areas listed below and on the following tariff pages.

WorldPass Prepaid Phone Card

(T)

MTC's WorldPass Prepaid Phone Card allows a customer to prepay for International Direct Distance Dialed (IDDD) calls to foreign countries/locations from Saipan. When a customer purchases a WorldPass Prepaid Phone Card, an account associated with the card's unique identifying number is activated in a database. To make a call, the customer dials a specified toll free access number and inputs the card's unique identifying number and the destination telephone number. The customer is then notified of the number of minutes available, based on the account balance and the destination called. The charges for each IDDD call are deducted from the account balance associated with the WorldPass Prepaid Phone Card. The calls to countries and areas listed below are charged at the rates shown in Section 4.B.

(T)

| | |
|------------------------|------------------------|
| A. Alaska | Canada |
| Anguilla | Dominica |
| Antigua (Barbuda) | Dominican Republic |
| Bahamas | Hawaii |
| Barbados | Jamaica |
| Bermuda | Montserrat |
| British Virgin Islands | Nevis |
| (Anegada, Camanoe | Puerto Rico |
| Island, Guana Island, | St. Kitts |
| Jost Van Dyke, Little | St. Lucia |
| Thatch, Marina Cay, | St. Vincent |
| Mosquito Island, North | Trinidad and Tobago |
| Sound, Peter Island, | United States Mainland |
| Salt Island, Tortola | Virgin Islands |
| and Virgin Gorda) | |

Issued: July 26, 1996

Effective: September 1, 1996

By: General Manager (T)
Micronesia Telecommunications Corporation
P.O. Box 306
Saipan, MP 96950

Receipt



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AUG 13 1996

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

August 13, 1996

Transmittal No. 117

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
Washington, DC 20554

Attention: Common Carrier Bureau

Dear Mr. Caton:

The accompanying tariff material issued by the Micronesian Telecommunications Corporation (MTC) and bearing Tariff F.C.C. No. 1 effective September 1, 1996, or as otherwise indicated, is sent to you for filing in compliance with the requirements of the Communications Act of 1934, as amended. This material consists of tariff pages as indicated on the following check sheet:

Tariff F.C.C. No. 1, 74th Revised Page 1

This filing provides rates to government entities in the Commonwealth of the Northern Mariana Islands for official calls directly dialed from government telephones.

The \$565 filing fee was transmitted electronically to the Mellon Bank in Pittsburgh, PA today concurrently with hand delivery of copies of the transmittal and its attachment to your office. The Form 159 accompanying the original copy of this transmittal shows the electronic audit code for this transaction.

Acknowledgment and date of receipt of this filing are requested. All correspondence and inquiries in connection with this filing should be addressed to F. Gordon Maxson, GTE Service Corporation, 1850 M Street, NW, Suite 1200, Washington, DC 20036, telephone number 202/463-5291, fax number 202/463-5239.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael F. Yee", is written over the typed name.

Michael F. Yee
Regional Manager
Regulatory & Industry
Affairs-International

MESSAGE TOLL TELEPHONE SERVICE

D. ALTERNATIVE PRICING PLANS FOR THE GOVERNMENT

1. General

This tariff contains regulations and rates applicable to Alternative Pricing Plans furnished from points in the Commonwealth of the Northern Mariana Islands.

Alternative Pricing Plans are furnished to meet the communications needs of specific government Customers.

The Regulations applicable to a specific Alternative Pricing Plan are specified in Section 3.

2. Description of Plans

The following is a brief description of the Alternative Pricing Plans that are offered:

a. Commonwealth of the Northern Mariana Islands (CNMI) Calling Plan

This plan provides outward direct distance dialed calling from the CNMI government's official telephones. The Calling Plan rates do not include the assistance of a MTC operator and do not apply to:

- Person-to-Person Calls
- Collect Calls
- Third Number Billed Calls
- Conference Calls
- Calls to 700 or 900 Special Service Codes

All material on this page is new.

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By: General Manager
Micronesian Telecommunications Corporation
P.O. Box 306
Saipan, MP 96950

MESSAGE TOLL TELEPHONE SERVICE

D. ALTERNATIVE PRICING PLANS FOR THE GOVERNMENT (Continued)

3. Regulations

a. Commonwealth of the Northern Mariana Islands (CNMI) Calling Plan

The CNMI Calling Plan offers Message Telephone Service (MTS) to the CNMI government.

The following regulations are applicable to the CNMI Calling Plan:

- (1) Optional Calling Plans and Promotional Offerings are not available to the CNMI government subscribers.
- (2) The CNMI Calling Plan is valid for a period determined by the terms of the agreement with the CNMI government.
- (3) The rate structure for MTS calls placed under this calling plan is based on a flat rate per minute or a fraction thereof.
- (4) The applicable rate per minute for calls placed to a region or area is determined based on the total minutes of use to that region or area during the respective monthly billing period.
- (5) Incoming collect calls are not allowed under this calling plan. Third-Party Billing calls may not be billed to the network.
- (6) Holiday rates do not apply.
- (7) Rates established in Section 4.a.(2) are fixed for the term period selected.

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MESSAGE TOLL TELEPHONE SERVICE

D. ALTERNATIVE PRICING PLANS FOR THE GOVERNMENT (Continued)

4. Rates

a. Commonwealth of the Northern Mariana Islands (CNMI) Calling Plan

(1) Charges

- (a) Method of Computing Usage Charges - The minimum time requirement for a CNMI Calling Plan call is one minute. Direct dial rates are billed in one minute increments. The timing of a call begins when the called party answers.
- (b) Usage Charges - Usage charges apply per completed call. The CNMI Calling Plan rates are effective twenty-four hours a day, seven days a week.

(2) Table of Rates

The following is the Table of Rates for the CNMI Calling Plan.

All material on this page is new.

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Micronesian Telecommunications Corporation
P.O. Box 306
Saipan, MP 96950

MESSAGE TOLL TELEPHONE SERVICE

D. ALTERNATIVE PRICING PLANS FOR THE GOVERNMENT (Continued)

4. Rates (Continued)

a. Commonwealth of the Northern Mariana Islands (CNMI) Calling Plan
(Continued)

(2) Table of Rates (Continued)

(a) Schedule 1

Direct Distance Dialed (DDD) per minute rates from the
Commonwealth of the Northern Mariana Islands to:

| | <u>1-Year</u> <u>Term</u> | <u>2-Year</u> <u>Term</u> | <u>3-Year</u> <u>Term</u> |
|---|------------------------------|------------------------------|------------------------------|
| Guam | \$.45 | \$.45 | \$.45 |
| Hawaii | .85 | .70 | .65 |
| U.S./Mainland (lower 48 states and the District of Columbia) | .78 | .70 | .65 |
| All other U.S. points | 1.90 | 1.90 | 1.90 |

All material on this page is new.

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MESSAGE TOLL TELEPHONE SERVICE

D. ALTERNATIVE PRICING PLANS FOR THE GOVERNMENT (Continued)

4. Rates (Continued)

a. Commonwealth of the Northern Marianas Islands (CNMI) Calling Plan
(Continued)

(2) Table of Rates (Continued)

(b) Schedule 2

Direct Distance Dialed (DDD) per minute rates from the CNMI to
the following international locations:

| | <u>1, 2 or 3-Year Term</u> |
|---|--------------------------------|
| All international points listed in Section C.3.B. with the exception of Japan and Philippines | \$1.90 |
| Japan | 1.80 |
| Philippines | 1.80 |

All material on this page is new.

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By: General Manager
Micronesian Telecommunications Corporation
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